

From: Roy Leban
To: Microsoft ATR
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Subject: Microsoft Settlement

I work for Microsoft, so you might think I'm biased about the Microsoft suit. I'm not. I thought it was stupid long before I joined Microsoft.

Why is it stupid? A few reasons...

1. Microsoft has a monopoly on "Windows operating systems". Well, of course it does! In fact, it has 100% of the market, by definition. General Motors has a monopoly on Chevrolets, but nobody's complaining. Apple has 100% of the market for Macintosh operating system computers (both hardware and software!).

2. Microsoft has "bundled" things into the operating system that were previously available as extra components. Well, of course it does! This is how operating systems and practically all products are developed. Let's take web browsers: The Macintosh OS ships with a browser. Solaris ships with a browser. Linux has a browser. No operating system could ship today without a browser. What would you lose if you couldn't add anything to the operating system that had been available separately? A short list in Windows includes the file manager, long filenames, file search, integrated printer drivers, even ethernet/internet drivers. All those things used to ship as separate products.

If we applied the same rule to cars, your car wouldn't come with a radio, seat belts, cruise control, fuel injection, a center rear brake light or even a roof. Given all the things that have been bundled into cars, it is impossible to start a new car company today--much harder than it is to start a new computer company. You could even say that the car companies have colluded with each other to add those features to block competition (with the help of their accomplices, the DOT and the USTA). Following this logic, we should force all the car companies to unbundle almost everything so that new car companies wouldn't have such a high barrier to entry. Of course, the average car would cost \$100,000 this way and consumers would have to basically assemble their own cars, but that's the price you pay for better competition.

3. Internet Explorer is much more than a browser--it's an integration of the web into the OS. Any application can use this feature and many do. Rather than inhibiting competition, the integration of IE encourages it because companies can build web and/or browser functionality into their applications without having to write it themselves.

4. This suit has never been about monopoly power or what's good for consumers. It's about some jealous competitors who missed the boat for various reasons.

But, given that the suit wasn't tossed out and that much of the judiciary and public don't understand enough about the situation, I think the proposed settlement is reasonable. Although some of it will be burdensome for Microsoft, it doesn't prevent Microsoft from doing what it does best--responding to customer needs and building better software.

Thank you for listening.

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